



# GOV. MSG. NO. 16

## EXECUTIVE CHAMBERS HONOLULU

DAVID Y. IGE  
GOVERNOR

April 25, 2019

✓ The Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki  
Speaker of the House of Representatives  
Thirtieth State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

Dear Senate President Kouchi and Speaker Saiki:

Tentative agreements were reached with United Public Workers (UPW), Collective Bargaining Units 1 (Blue Collar Employees) and 10 (Institutional Workers), on April 18, 2019. Ratification is expected by April 27, 2019. In accordance with Section 89-10(b), cost items must be submitted to the Legislature. Because the agreement was not reached in time for costs to be included in the biennium budget, an Administration Proposal was submitted to the 2019 Legislature. The estimated costs are as follows:

	<u>FY 20</u>	<u>FY 21</u>	<u>Biennium</u>
<u>Salaries &amp; Fringe</u>			
General	\$2,093,938	\$6,735,116	\$ 8,829,054
Special	816,318	2,428,145	3,244,463
Federal	48,252	164,800	213,052
Other Federal	9,825	34,606	44,431
Interdept. Transfers	2,157	7,621	9,778
Revolving	8,202	28,762	36,964
Special Fund CIP	<u>846</u>	<u>2,990</u>	<u>3,836</u>
Total	\$2,979,538	\$9,402,040	\$12,381,578

An agreement with UPW regarding Employer-Union Trust Fund contribution amounts has also been reached and the estimated costs are as follows:

	<u>FY 20</u>	<u>FY 21</u>	<u>Biennium</u>
General	\$1,538,268	\$6,279,647	\$7,817,915

The Honorable Ronald D. Kouchi  
The Honorable Scott K. Saiki  
April 25, 2019  
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Attached is a proposed conference draft bill to fund the agreements.

With warmest regards,

A handwritten signature in black ink, appearing to read "David Y. Ige". The signature is fluid and cursive, with a large, sweeping "D" and a stylized "Ige".

David Y. Ige  
Governor, State of Hawai'i

Attachment

c: Honorable Donovan M. Dela Cruz  
Honorable Sylvia Luke



3		<u>FY 2019-2020</u>	<u>FY 2020-2021</u>
4	General funds	\$477,798	\$1,611,290
5	Special funds	111	379
6	Federal funds	95	324
7	Revolving funds	182	639

12 PART II

<b>20</b>	<u>FY 2019-2020</u>	<u>FY 2020-2021</u>
<b>21</b> General funds	\$68,371	\$168,293

SECTION 4. Funds appropriated or authorized by this part shall be expended by the chief justice in the respective fiscal year for the purposes of this part.

PART III

SECTION 5. There are appropriated or authorized from the sources of funding indicated below to collective bargaining statewide (BUF 102) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2019-2021, the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within bargaining units (1) and (10):

	<u>FY 2019-2020</u>	<u>FY 2020-2021</u>
General funds	\$103,196	\$352,756
Special funds	5,923	20,891
Federal funds	179	704
Other federal funds	757	2,421
Revolving funds	309	1,090

Of the above amounts, the following amounts are for the department of education:

	<u>FY 2019-2020</u>	<u>FY 2020-2021</u>
General funds	\$85,323	\$291,244
Special funds	218	746
Federal funds	18	63

SECTION 6. Funds appropriated or authorized by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

#### PART IV

SECTION 7. There are appropriated or authorized from the sources of funding indicated below to administration (JUD 601) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2019-2021, the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees of the judiciary who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within bargaining units (1) and (10):

	<u>FY 2019-2020</u>	<u>FY 2020-2021</u>
General funds	\$9,366	\$14,661

SECTION 8. The sums appropriated or authorized by this part shall be expended by the chief justice in the respective fiscal year for the purposes of this part.

#### PART V

SECTION 9. There are appropriated from the sources of funding indicated below to Hawaii health systems corporation - corporate office (HTH 210) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2019-2021, the collective bargaining cost items in the agreement negotiated for state employees in collective bargaining units (1) and (10) assigned to the Hawaii health systems corporation:

	<u>FY 2019-2020</u>	<u>FY 2020-2021</u>
Special funds	\$435,728	\$1,102,794

SECTION 10. The sums appropriated or authorized by this part shall be allotted by the director of finance to the Hawaii health systems corporation in the respective fiscal year for the purposes of this part.

#### PART VI

SECTION 11. There are appropriated from the sources of funding indicated below to Hawaii health systems corporation - corporate office (HTH 210) the following sums, or

so much thereof as may be necessary, to fund for fiscal biennium 2019-2021, salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining units and belong to the same compensation plans as those officers and employees within bargaining units (1) and (10), and are assigned to the Hawaii health systems corporation:

	<u>FY 2019-2020</u>	<u>FY 2020-2021</u>
Special funds	\$7,284	\$26,896

SECTION 12. The sums appropriated or authorized by this part shall be allotted by the director of finance to the Hawaii health systems corporation in the respective fiscal year for the purposes of this part.

#### PART VII

SECTION 13. There are appropriated from the sources of funding indicated below to health premium payments (BUF 761) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2019-2021, the Hawaii employer union health benefit trust fund costs in the agreement negotiated with the exclusive bargaining representative of collective bargaining units (1) and (10):



	<u>FY 2019-2020</u>	<u>FY 2020-2021</u>
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General funds	\$1,531,378	\$6,251,273
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SECTION 14. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

#### PART VIII

SECTION 15. There are appropriated from the sources of funding indicated below to health premium payments (BUF 761) the following sums, or so much thereof as may be necessary, to fund for fiscal biennium 2019-2021, the Hawaii employer union health benefit trust fund costs authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within bargaining units (1) and (10):

	<u>FY 2019-2020</u>	<u>FY 2020-2021</u>
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General funds	\$6,890	\$28,374
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SECTION 16. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

10           SECTION 19. This Act, upon its approval, shall take effect  
11   on July 1, 2019.

**Report Title:**

Public Employment Cost Items

**Description:**

To provide appropriations for collective bargaining cost items and other public employment costs for Units (1) and (10) and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for fiscal biennium 2019-2021.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*